

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking into the operation of interruptible load programs offered by Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company and the effect of these programs on energy prices, other demand responsiveness programs, and the reliability of the electric system.

Rulemaking 00-10-002
(Filed October 5, 2000)

Phase 2

**ADMINISTRATIVE LAW JUDGE'S RULING REGARDING RATEMAKING
TREATMENT FOR REVENUE EFFECTS OF THE BILL LIMITER**

I intend to ask Southern California Edison Company (SCE) at the Final Oral Argument (FOA) to address ratemaking treatment for the bill limiter. SCE should be prepared to address this issue. SCE should also file and serve a document on April 15, 2002 with its response. Other parties may also address this issue at FOA, and may also file and serve documents on April 15, 2002 on this issue.

In particular, SCE should address, and others may address, the ratemaking treatment in at least three cases:

1. End bill limiter with the Commission decision.

In this case the question is whether or not SCE should book \$2.083 million per month (\$25 million per year) into the interruptible program memorandum account for later distribution either to large customers or to all customers (when the memorandum account balance is addressed in an Annual Earnings Assessment Proceeding.) This approach would account for the fact that ending the bill limiter will result in SCE receiving \$25 million more per year that is currently also included in rates, and being charged to, other large customers. (SCE November 9, 2001 Comments, page 4.)

2. Continue the bill limiter.

In this case the question is whether or not SCE should book \$3.889 million per month (\$35 million for nine months) in additional cost into the interruptible program memorandum account for later assessment either to large customers or to all customers (when the memorandum account balance is addressed in an Annual Earnings Assessment Proceeding.) This approach would account for the fact that continuing the bill limiter will result in SCE incurring an additional revenue loss of \$35 million for nine months (April through December 2002) that is currently not assessed to ratepayers. (SCE November 9, 2001 Comments, page 4.)

3. Continue the bill limiter, but modify its application to the portion of existing rates that were in effect before 2001.

In this case no revenues or additional costs need to be booked to the interruptible program memorandum account. The bill limiter continues but is applied going forward only to the portion of existing rates that were in effect prior to rate increases authorized in 2001.

Further, SCE should include an estimate of the average rate paid by bill limited customers with the bill limiter, and what it would be without the bill limiter.

IT IS RULED that Southern California Edison Company (SCE) shall address ratemaking treatment for the bill limiter at the April 15, 2002 Final Oral Argument (FOA). SCE shall also file and serve a document on April 15, 2002 with its response, including estimated rates for bill limited customers with and without the bill limiter. Other parties may address this issue at FOA, and may also file and serve documents on April 15, 2002 on this issue. The Phase 2 record is reopened to receive these documents on April 15, 2002, and shall be resubmitted on April 16, 2002.

Dated April 11, 2002, at San Francisco, California.

/s/ BURTON W. MATTSON

Burton W. Mattson
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by regular mail, and by electronic mail on those parties with an electronic mail address, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Ratemaking Treatment for Revenue Effects of the Bill Limiter on all Phase 2 parties of record in this proceeding or their attorneys of record.

Dated April 11, 2002, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.